

**Aethertek Technology Co., Ltd.
and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Aethertek Technology Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Aethertek Technology Co., Ltd. (formerly Service & Quality Group Co., Ltd., the “Company”) and subsidiaries (collectively referred to as the “Group”) as of March 31, 2026 and 2025, the related consolidated statements of comprehensive income for the three months ended March 31, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Ming-Chung Hsieh and Yi-Hua Peng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,088,161	37	\$ 917,181	33	\$ 769,638	32
Notes receivables	-	-	240	-	-	-
Trade receivables (Notes 7 and 18)	376,284	13	384,236	14	352,138	15
Other receivables (Note 7)	79,303	3	144,209	5	78,305	3
Current tax assets	9,452	-	8,904	-	10,275	1
Inventories (Note 8)	498,814	17	427,404	16	310,956	13
Prepayments	43,107	1	29,613	1	27,658	1
Other current assets	1,998	-	1,198	-	857	-
Total current assets	<u>2,097,119</u>	<u>71</u>	<u>1,912,985</u>	<u>69</u>	<u>1,549,827</u>	<u>65</u>
NON-CURRENT ASSETS						
Property, plant and equipment (Notes 10 and 27)	464,027	16	466,465	17	473,889	20
Right-of-use assets (Note 11)	62,146	2	68,226	3	60,031	2
Goodwill (Note 12)	106,779	4	106,677	4	106,998	4
Other intangible assets (Note 13)	136,537	5	141,913	5	163,360	7
Deferred tax assets	35,523	1	32,871	1	20,585	1
Prepayments for equipment	25,776	1	22,822	1	13,539	1
Refundable deposits	12,633	-	12,368	-	13,350	-
Total non-current assets	<u>843,421</u>	<u>29</u>	<u>851,342</u>	<u>31</u>	<u>851,752</u>	<u>35</u>
TOTAL	<u>\$ 2,940,540</u>	<u>100</u>	<u>\$ 2,764,327</u>	<u>100</u>	<u>\$ 2,401,579</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 14)	\$ 209,963	7	\$ 47,559	2	\$ 28,705	1
Contract liabilities (Note 18)	22,753	1	6,442	-	21,978	1
Trade payables	133,749	5	144,873	5	150,409	6
Dividends payable (Note 15)	139,882	5	135,320	5	172,450	7
Other payables (Note 15)	369,822	13	430,861	16	142,979	6
Current tax liabilities	44,714	1	32,855	1	44	-
Lease liabilities - current (Note 11)	26,397	1	25,700	1	23,397	1
Long-term liabilities - current portion (Notes 14 and 27)	7,296	-	7,296	-	8,028	1
Other current liabilities	591	-	55	-	22	-
Total current liabilities	<u>955,167</u>	<u>33</u>	<u>830,961</u>	<u>30</u>	<u>548,012</u>	<u>23</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 14 and 27)	154,024	5	155,240	6	161,313	7
Deferred tax liabilities	24,423	1	23,608	1	36,510	1
Lease liabilities - non-current (Note 11)	31,035	1	37,570	1	30,732	1
Total non-current liabilities	<u>209,482</u>	<u>7</u>	<u>216,418</u>	<u>8</u>	<u>228,555</u>	<u>9</u>
Total liabilities	<u>1,164,649</u>	<u>40</u>	<u>1,047,379</u>	<u>38</u>	<u>776,567</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 17)						
Ordinary shares	717,809	24	712,839	26	711,058	30
Capital surplus	230,454	8	199,939	7	188,512	8
Retained earnings						
Legal reserve	64,726	2	64,726	2	62,629	2
Unappropriated retained earnings	432,122	15	398,130	15	307,518	13
Total retained earnings	<u>496,848</u>	<u>17</u>	<u>462,856</u>	<u>17</u>	<u>370,147</u>	<u>15</u>
Other equity	3,240	-	20,366	-	53,274	2
Equity attributable to owners of the Company	1,448,351	49	1,396,000	50	1,322,991	55
NON-CONTROLLING INTERESTS (Note 17)	<u>327,540</u>	<u>11</u>	<u>320,948</u>	<u>12</u>	<u>302,021</u>	<u>13</u>
Total equity	<u>1,775,891</u>	<u>60</u>	<u>1,716,948</u>	<u>62</u>	<u>1,625,012</u>	<u>68</u>
TOTAL	<u>\$ 2,940,540</u>	<u>100</u>	<u>\$ 2,764,327</u>	<u>100</u>	<u>\$ 2,401,579</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Note 18)	\$ 431,607	100	\$ 281,535	100
OPERATING COSTS (Notes 8 and 19)	<u>(155,847)</u>	<u>(36)</u>	<u>(86,155)</u>	<u>(31)</u>
GROSS PROFIT	<u>275,760</u>	<u>64</u>	<u>195,380</u>	<u>69</u>
OPERATING EXPENSES (Note 19)				
Selling and marketing expenses	(82,221)	(19)	(66,803)	(24)
General and administrative expenses	(39,494)	(9)	(35,519)	(13)
Research and development expenses	(108,715)	(26)	(80,150)	(28)
Expected credit loss	<u>(4,080)</u>	<u>(1)</u>	<u>(8,106)</u>	<u>(3)</u>
Total operating expenses	<u>(234,510)</u>	<u>(55)</u>	<u>(190,578)</u>	<u>(68)</u>
PROFIT FROM OPERATIONS	<u>41,250</u>	<u>9</u>	<u>4,802</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES (Note 19)				
Interest income	2,045	1	3,827	1
Other income	1,633	-	1,071	-
Other gains and losses	(6,836)	(2)	1,913	1
Finance costs	<u>(2,482)</u>	<u>-</u>	<u>(1,528)</u>	<u>-</u>
Total non-operating income and expenses	<u>(5,640)</u>	<u>(1)</u>	<u>5,283</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	35,610	8	10,085	3
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 20)	<u>(6,923)</u>	<u>(1)</u>	<u>1,835</u>	<u>1</u>
NET PROFIT FROM CONTINUING OPERATIONS	<u>28,687</u>	<u>7</u>	<u>11,920</u>	<u>4</u>

(Continued)

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 17)	\$ 30,173	7	\$ 15,661	6
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 17 and 20)	<u>(3,655)</u>	<u>(1)</u>	<u>(2,226)</u>	<u>(1)</u>
Other comprehensive income for the period, net of income tax	<u>26,518</u>	<u>6</u>	<u>13,435</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 55,205</u>	<u>13</u>	<u>\$ 25,355</u>	<u>9</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 33,992	8	\$ (3,164)	(1)
Non-controlling interests	<u>(5,305)</u>	<u>(1)</u>	<u>15,084</u>	<u>5</u>
	<u>\$ 28,687</u>	<u>7</u>	<u>\$ 11,920</u>	<u>4</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 48,613	11	\$ 5,736	2
Non-controlling interests	<u>6,592</u>	<u>2</u>	<u>19,619</u>	<u>7</u>
	<u>\$ 55,205</u>	<u>13</u>	<u>\$ 25,355</u>	<u>9</u>
EARNINGS (LOSS) PER SHARE (Note 21)				
From continuing operations				
Basic	<u>\$ 0.48</u>		<u>\$ (0.04)</u>	
Diluted	<u>\$ 0.48</u>		<u>\$ (0.04)</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent										
	Capital Stock - Common Stock		Capital Surplus	Retained Earnings			Others		Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unearned Share-based Employee Compensation				
BALANCE, JANUARY 1, 2025	70,942	\$ 709,418	\$ 183,666	\$ 62,629	\$ 310,682	\$ 63,560	\$ (15,868)	\$ 1,314,087	\$ 282,402	\$ 1,596,489	
Net loss for the three months ended March 31, 2025	-	-	-	-	(3,164)	-	-	(3,164)	15,084	11,920	
Other comprehensive income for the three months ended March 31, 2025, net of income tax (Note 17)	-	-	-	-	-	8,900	-	8,900	4,535	13,435	
Total comprehensive (loss) income for the three months ended March 31, 2025	-	-	-	-	(3,164)	8,900	-	5,736	19,619	25,355	
Share-based payment arrangements (Note 22)	164	1,640	4,846	-	-	-	(3,318)	3,168	-	3,168	
BALANCE, MARCH 31, 2025	71,106	\$ 711,058	\$ 188,512	\$ 62,629	\$ 307,518	\$ 72,460	\$ (19,186)	\$ 1,322,991	\$ 302,021	\$ 1,625,012	
BALANCE, JANUARY 1, 2026	71,284	\$ 712,839	\$ 199,939	\$ 64,726	\$ 398,130	\$ 37,190	\$ (16,824)	\$ 1,396,000	\$ 320,948	\$ 1,716,948	
Net gain (loss) for the three months ended March 31, 2026	-	-	-	-	33,992	-	-	33,992	(5,305)	28,687	
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	14,621	-	14,621	11,897	26,518	
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	33,992	14,621	-	48,613	6,592	55,205	
Share-based payment arrangements (Note 22)	497	4,970	30,515	-	-	-	(31,747)	3,738	-	3,738	
BALANCE, MARCH 31, 2026	71,781	\$ 717,809	\$ 230,454	\$ 64,726	\$ 432,122	\$ 51,811	\$ (48,571)	\$ 1,448,351	\$ 327,540	\$ 1,775,891	

The accompanying notes are an integral part of the consolidated financial statements.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 35,610	\$ 10,085
Adjustments for:		
Depreciation expense	17,614	16,596
Amortization expense	8,094	7,614
Expected credit loss	4,080	8,106
Finance costs	2,482	1,528
Interest income	(2,045)	(3,827)
Share-based compensation	3,738	3,168
Loss (gain) on disposal of property, plant and equipment, net	19	(191)
Write-down of inventories	14,049	-
Net changes in operating assets and liabilities		
Notes receivables	240	-
Trade receivables	3,597	(118,607)
Other receivables	64,876	(74,615)
Inventories	(88,749)	(122,809)
Prepayments	(13,494)	(11,761)
Other current assets	(800)	(434)
Contract liabilities	16,311	16,111
Trade payables	(11,124)	86,915
Other payables	(60,613)	21,467
Other current liabilities	536	(26)
Cash used in operations	(5,579)	(160,680)
Interest received	2,075	6,514
Interest paid	(2,766)	(2,116)
Income tax paid	(486)	(32)
Net cash used in operating activities	<u>(6,756)</u>	<u>(156,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(4,662)	(11,140)
Proceeds from disposal of property, plant and equipment	-	4,516
Increase in refundable deposits	(265)	(229)
Payments for intangible assets	(370)	-
Increase in prepayments for equipment	(2,954)	(5,460)
Net cash used in investing activities	<u>(8,251)</u>	<u>(12,313)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	163,988	28,705
Repayments of long-term borrowings	(1,216)	(3,999)
Repayment of the principal portion of lease liabilities	(6,461)	(6,284)
Net cash generated from financing activities	<u>156,311</u>	<u>18,422</u>

(Continued)

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>29,676</u>	\$ <u>14,894</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	170,980	(135,311)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>917,181</u>	<u>904,949</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 1,088,161</u>	<u>\$ 769,638</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Aethertek Technology Co., Ltd. (the “Company”) was incorporated in Taipei City in September 1992. On April 14, 2021, it received approval from Ministry of Economic Affairs and had changed its name from “Service & Quality Group Co., Ltd.” to “Aethertek Technology Co., Ltd.” The Company involves in equipment manufacturing, product design, software service, etc.

The Company’s shares have been listed on the Taipei Exchange (TPEX) since March 2004.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 6, 2026.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

- 1) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discounted operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impact the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 9, Table 4 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2025.

Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of markets US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Please refer to the material accounting judgments and key sources of estimation uncertainty of the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	\$ 944	\$ 839	\$ 605
Demand deposits	988,320	820,114	769,033
Cash equivalent (investments with original maturities of 3 months or less)	<u>98,897</u>	<u>96,228</u>	<u>-</u>
	<u>\$ 1,088,161</u>	<u>\$ 917,181</u>	<u>\$ 769,638</u>

As of March 31, 2026 and December 31, 2025, the annual interest rate for time deposits are 3.54% and 4.40%, respectively.

7. TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 386,884	\$ 390,481	\$ 365,699
Less: Allowance for impairment loss	<u>(10,600)</u>	<u>(6,245)</u>	<u>(13,561)</u>
	<u>\$ 376,284</u>	<u>\$ 384,236</u>	<u>\$ 352,138</u>
<u>Other receivables</u>			
Other receivables - receivables from sales on behalf of others (Note)	\$ 77,091	\$ 142,882	\$ 69,561
Other	<u>2,212</u>	<u>1,327</u>	<u>8,744</u>
	79,303	144,209	78,305
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 79,303</u>	<u>\$ 144,209</u>	<u>\$ 78,305</u>

Note: As of March 31, 2026, the consolidated company's receivables related to assets held for sale primarily resulted from the sale of inventories and machinery and equipment by Trantest Enterprise (China) Ltd to the Company via a third-party company that is not a related party.

The Group's average credit period of sales of goods is 30 to 90 days. No interest is charged on trade receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

March 31, 2026

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
The expected credit loss rate	0%-0.39%	0%-2.80%	0%-5.73%	0%-47.84%	100%	
Gross carrying amount	\$ 267,139	\$ 44,658	\$ 38,979	\$ 34,374	\$ 1,734	\$ 386,884
Loss allowance (Lifetime ECL)	<u>(591)</u>	<u>(93)</u>	<u>(2,175)</u>	<u>(6,007)</u>	<u>(1,734)</u>	<u>(10,600)</u>
Amortized cost	<u>\$ 266,548</u>	<u>\$ 44,565</u>	<u>\$ 36,804</u>	<u>\$ 28,367</u>	<u>\$ -</u>	<u>\$ 376,284</u>

December 31, 2025

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
The expected credit loss rate	0%-0.86%	0%-1.34%	0%-4.21%	12.34%-57.45%	100%	
Gross carrying amount	\$ 235,419	\$ 69,919	\$ 74,376	\$ 9,893	\$ 874	\$ 390,481
Loss allowance (Lifetime ECL)	<u>(214)</u>	<u>(601)</u>	<u>(1,903)</u>	<u>(2,653)</u>	<u>(874)</u>	<u>(6,245)</u>
Amortized cost	<u>\$ 235,205</u>	<u>\$ 69,318</u>	<u>\$ 72,473</u>	<u>\$ 7,240</u>	<u>\$ -</u>	<u>\$ 384,236</u>

March 31, 2025

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
The expected credit loss rate	0%-0.44%	0%-2.85%	0%-9.06%	0%-59.74%	100%	
Gross carrying amount	\$ 266,608	\$ 33,263	\$ 46,328	\$ 18,714	\$ 786	\$ 365,699
Loss allowance (Lifetime ECL)	<u>(608)</u>	<u>(194)</u>	<u>(3,960)</u>	<u>(8,013)</u>	<u>(786)</u>	<u>(13,561)</u>
Amortized cost	<u>\$ 266,000</u>	<u>\$ 33,069</u>	<u>\$ 42,368</u>	<u>\$ 10,701</u>	<u>\$ -</u>	<u>\$ 352,138</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2026	2025
Beginning of the period	\$ 6,245	\$ 5,293
Add: Provision in current period	4,080	8,106
Foreign exchange gains and losses	<u>275</u>	<u>162</u>
End of the period	<u>\$ 10,600</u>	<u>\$ 13,561</u>

8. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 172,963	\$ 146,367	\$ 110,199
Semi-finished products	22,900	22,297	20,782
Work in progress	61,343	31,284	18,198
Finished goods	<u>241,608</u>	<u>227,456</u>	<u>161,777</u>
	<u>\$ 498,814</u>	<u>\$ 427,404</u>	<u>\$ 310,956</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2026	2025
Cost of inventories sold	\$ 141,798	\$ 86,155
Write-downs of inventories	<u>14,049</u>	<u>-</u>
	<u>\$ 155,847</u>	<u>\$ 86,155</u>

9. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2026	December 31, 2025	March 31, 2025	
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Sales of precision testing equipment	100	100	100	Note 1
Aethertek Technology Co., Ltd.	Trantest Enterprise (India) Private Limited.	Sales of precision testing equipment	99	99	99	-
Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.	Manufacture and sales of precision testing equipment	51	51	51	-
Trantest Enterprise Ltd.	Topone Automatic Co., Ltd.	Manufacture of precision testing equipment	100	100	100	Note 2
Trantest Enterprise Ltd	Trantest Enterprise (Vietnam) Company Limited	Manufacture of precision testing equipment	100	100	100	-

Note 1: In May 2025, the Board of Directors of the consolidated company approved a capital reduction of US\$4,000 thousand for its subsidiary Trantest Enterprise Ltd., with the capital reduction record date set on July 28, 2025.

Note 2: The Group's board of directors resolved in September 2023, to acquire and had acquired 100% ownership of Topone Automatic Co., Ltd. through its subsidiary Trantest Enterprise Ltd. The transaction amount was US\$798 thousand, and the Company invested US\$345 thousand in 2025.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interest		
		March 31, 2026	December 31, 2025	March 31, 2025
Trantest Precision (China) Ltd.	Shenzhen China	49%	49%	49%

See Tables 4 and 5 for the information on the place of incorporation and principal place of business.

Summarized financial information in respect of each of the Group's subsidiary that have material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Trantest Precision (China) Ltd.

	March 31	
	2026	2025
Current assets	\$ 1,067,117	\$ 841,009
Non-current assets	195,809	222,552
Current liabilities	(497,469)	(408,567)
Non-current liabilities	<u>(12,861)</u>	<u>(30,671)</u>
Equity	<u>\$ 752,596</u>	<u>\$ 624,323</u>
Equity attributable to:		
Owners of the Company	\$ 383,824	\$ 318,405
Non-controlling interests	<u>368,772</u>	<u>305,918</u>
	<u>\$ 752,596</u>	<u>\$ 624,323</u>
	For the Three Months Ended March 31	
	2026	2025
Revenue	<u>\$ 349,864</u>	<u>\$ 247,717</u>
Income (loss) for the period	<u>\$ 15,355</u>	<u>\$ (6,306)</u>
Net income (loss) attributable to:		
Owners of the Company	\$ 7,831	\$ (3,216)
Non-controlling interests	<u>7,524</u>	<u>(3,090)</u>
	<u>\$ 15,355</u>	<u>\$ (6,306)</u>

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Leasehold Improvements	Office Equipment	Transportation Equipment	Construction in Progress and Machinery under Installation	Total
Cost								
Balance on January 1, 2026	\$ 225,756	\$ 144,428	\$ 305,308	\$ 38,191	\$ 55,588	\$ 583	\$ -	\$ 769,854
Additions	-	-	2,425	232	1,863	-	-	4,520
Disposals	-	-	-	-	(77)	-	-	(77)
Effects of foreign currency exchange differences	-	3,792	7,393	(40)	788	21	-	11,954
Balance on March 31, 2026	<u>\$ 225,756</u>	<u>\$ 148,220</u>	<u>\$ 315,126</u>	<u>\$ 38,383</u>	<u>\$ 58,162</u>	<u>\$ 604</u>	<u>\$ -</u>	<u>\$ 786,251</u>
Accumulated depreciation								
Balance on January 1, 2026	\$ -	\$ 48,881	\$ 196,121	\$ 19,408	\$ 38,408	\$ 571	\$ -	\$ 303,389
Depreciation expense	-	1,655	5,999	1,792	1,298	-	-	10,744
Disposals	-	-	-	-	(58)	-	-	(58)
Effects of foreign currency exchange differences	-	1,603	5,683	(3)	847	19	-	8,149
Balance on March 31, 2026	<u>\$ -</u>	<u>\$ 52,139</u>	<u>\$ 207,803</u>	<u>\$ 21,197</u>	<u>\$ 40,495</u>	<u>\$ 590</u>	<u>\$ -</u>	<u>\$ 322,224</u>
Carrying amount on December 31, 2025 and January 1, 2026	<u>\$ 225,756</u>	<u>\$ 95,547</u>	<u>\$ 109,187</u>	<u>\$ 18,783</u>	<u>\$ 17,180</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 466,465</u>
Carrying amount on March 31, 2026	<u>\$ 225,756</u>	<u>\$ 96,081</u>	<u>\$ 107,323</u>	<u>\$ 17,186</u>	<u>\$ 17,667</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 464,027</u>
Cost								
Balance on January 1, 2025	\$ 225,756	\$ 146,642	\$ 296,019	\$ 36,347	\$ 50,101	\$ 596	\$ -	\$ 755,461
Additions	-	-	4,294	97	3,581	-	2,732	10,704
Disposals	-	-	(11,784)	-	(34)	-	(2,732)	(14,550)
Effects of foreign currency exchange differences	-	1,722	3,616	(3)	528	9	-	5,872
Balance on March 31, 2025	<u>\$ 225,756</u>	<u>\$ 148,364</u>	<u>\$ 292,145</u>	<u>\$ 36,441</u>	<u>\$ 54,176</u>	<u>\$ 605</u>	<u>\$ -</u>	<u>\$ 757,487</u>
Accumulated depreciation								
Balance on January 1, 2025	\$ -	\$ 43,176	\$ 187,515	\$ 12,839	\$ 36,264	\$ 583	\$ -	\$ 280,377
Depreciation expense	-	1,665	5,567	1,632	1,049	-	-	9,913
Disposals	-	-	(10,201)	-	(24)	-	-	(10,225)
Effects of foreign currency exchange differences	-	644	2,477	(1)	404	9	-	3,533
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 45,485</u>	<u>\$ 185,358</u>	<u>\$ 14,470</u>	<u>\$ 37,693</u>	<u>\$ 592</u>	<u>\$ -</u>	<u>\$ 283,598</u>
Carrying amount on March 31, 2025	<u>\$ 225,756</u>	<u>\$ 102,879</u>	<u>\$ 106,787</u>	<u>\$ 21,971</u>	<u>\$ 16,483</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 473,889</u>

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	20 to 50 years
Equipment	3 to 10 years
Leasehold improvements	5 years
Office equipment	2 to 10 years
Transportation equipment	4 to 5 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 27.

11. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Buildings	\$ 56,372	\$ 62,537	\$ 53,746
Lands	<u>5,774</u>	<u>5,689</u>	<u>6,285</u>
	<u>\$ 62,146</u>	<u>\$ 68,226</u>	<u>\$ 60,031</u>
		For the Three Months Ended March 31	
		2026	2025
Depreciation charge for right-of-use assets			
Land		\$ 130	\$ 131
Buildings		<u>6,740</u>	<u>6,552</u>
		<u>\$ 6,870</u>	<u>\$ 6,683</u>

In addition to the additions and depreciation expenses above, the Group have no major subleases and impairments of the right-of-use assets for the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Current	<u>\$ 26,397</u>	<u>\$ 25,700</u>	<u>\$ 23,397</u>
Non-current	<u>\$ 31,035</u>	<u>\$ 37,570</u>	<u>\$ 30,732</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	1.61%-7.25%	1.61%-7.25%	1.61%-4.75%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use of office, plant and dormitories, with lease terms of 2 to 10 years. The Group also buys land use right for the offices with use term of 50 years in mainland China specifies that payments will be paid at the time of contract and can be renewed upon the expiration of the period. The Group does not have purchase options to acquire the land and buildings at the end of the contract.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	<u>\$ 2,014</u>	<u>\$ 1,042</u>
Expenses relating to low-value asset leases	<u>\$ 22</u>	<u>\$ 29</u>
Total cash outflow for leases	<u>\$ (9,144)</u>	<u>\$ (7,938)</u>

The Group's leases of certain building and office equipment qualify as short-term and low-value leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

12. GOODWILL

	For the Three Months Ended March 31	
	2026	2025
<u>Cost</u>		
Beginning of the period	\$ 106,677	\$ 106,922
Effects of foreign currency exchange differences	<u>102</u>	<u>76</u>
End of the period	<u>\$ 106,779</u>	<u>\$ 106,998</u>

13. OTHER INTANGIBLE ASSETS

	Customer Relationships	Computer Software	Amount
<u>Cost</u>			
Balance, January 1, 2026	\$ 256,720	\$ 50,386	\$ 307,106
Additions	-	370	370
Effects of foreign currency exchange differences	<u>4,615</u>	<u>1,131</u>	<u>5,746</u>
Balance, March 31, 2026	<u>\$ 261,335</u>	<u>\$ 51,887</u>	<u>\$ 313,222</u>
<u>Accumulated amortization</u>			
Balance, January 1, 2026	\$ 125,390	\$ 39,803	\$ 165,193
Amortization expenses	6,642	1,452	8,094
Effects of foreign currency exchange differences	<u>2,330</u>	<u>1,068</u>	<u>3,398</u>
Balance, March 31, 2026	<u>\$ 134,362</u>	<u>\$ 42,323</u>	<u>\$ 176,685</u>
Carrying amount on March 31, 2026	<u>\$ 126,973</u>	<u>\$ 9,564</u>	<u>\$ 136,537</u>

(Continued)

	Customer Relationships	Computer Software	Amount
<u>Cost</u>			
Balance, January 1, 2025	\$ 267,788	\$ 48,892	\$ 316,680
Effects of foreign currency exchange differences	<u>3,430</u>	<u>478</u>	<u>3,908</u>
Balance, March 31, 2025	<u>\$ 271,218</u>	<u>\$ 49,370</u>	<u>\$ 320,588</u>
<u>Accumulated amortization</u>			
Balance, January 1, 2025	\$ 103,260	\$ 44,488	\$ 147,748
Amortization expenses	6,907	707	7,614
Effects of foreign currency exchange differences	<u>1,388</u>	<u>478</u>	<u>1,866</u>
Balance, March 31, 2025	<u>\$ 111,555</u>	<u>\$ 45,673</u>	<u>\$ 157,228</u>
Carrying amount on March 31, 2025	<u>\$ 159,663</u>	<u>\$ 3,697</u>	<u>\$ 163,360</u> (Concluded)

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Customer relationships	10 years
Computer software	2 to 5 years

14. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Unsecured borrowings</u>			
Bank loans	<u>\$ 209,963</u>	<u>\$ 47,559</u>	<u>\$ 28,705</u>

The interest rates for bank revolving loans will range from 2.10% to 7.25% on March 31, 2026, 7.25% on December 31, 2025 and 7.25% on March 31, 2025.

b. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Secured borrowings (Note 27)</u>			
Bank loan	\$ 153,886	\$ 149,904	\$ 156,850
<u>Unsecured borrowings</u>			
Bank loans	<u>7,434</u>	<u>12,632</u>	<u>12,491</u>
	161,320	162,536	169,341
Less: Current portion	<u>(7,296)</u>	<u>(7,296)</u>	<u>(8,028)</u>
Long-term borrowings	<u>\$ 154,024</u>	<u>\$ 155,240</u>	<u>\$ 161,313</u>

During the three months ended December 31, 2024, the Group both acquired new bank borrowing facilities in the amounts of \$200,000 thousand, the bank loan secured by the Group's proprietary land and buildings (refer to Note 27), with an interest rates as of March 31, 2026, December 31, 2025, and March 31, 2025 were 2.098%-2.278%, 2.098%-2.278%, and 2.04%-2.22%, respectively. Loan will be due on April 6, 2048, and repayable in the next 25 years, respectively. Subject to the terms set forth in the loan agreement, the Group's debt service coverage ratios must be 100% annually or semi-annually. The purpose of these bank borrowing facilities was for the acquisition of land, plant and equipment.

15. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Payables for salaries or bonuses	\$ 165,804	\$ 201,938	\$ 51,226
Payables for compensation of employees	1,562	1,240	266
Payables for dividends (Note 1)	139,882	135,320	172,450
Payable for professional fees	3,216	3,370	3,117
Payable for purchases of equipment	2,365	2,507	3,501
Payables for goods held for sale (Note 2)	85,141	106,541	44,133
Others	<u>111,734</u>	<u>115,265</u>	<u>40,736</u>
	<u>\$ 509,704</u>	<u>\$ 566,181</u>	<u>\$ 315,429</u>

Note 1: Payables for dividends were the Group's appropriation of earnings from Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. resolved in the shareholders' meeting before the acquisition date by the original shareholders.

Note 2: Payables related to assets held for sale primarily resulted from the sale of inventories and machinery and equipment by Trantest Precision (China) Ltd. to the Company via a third-party company that is not a related party.

16. RETIREMENT BENEFIT PLANS

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiary of the Group in China is a member of state-managed retirement benefit plans operated by the government of the People's Republic of China. Based on a certain percentage of the total salary of all local employees, the subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group is to make the specified contributions.

17. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Shares authorized (in thousands of shares)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>71,781</u>	<u>71,284</u>	<u>71,106</u>
Shares issued and fully paid	<u>\$ 717,809</u>	<u>\$ 712,839</u>	<u>\$ 711,058</u>

The issued ordinary shares have a par value of NT\$10 per share, and each share has one voting right and the right to receive dividends.

On March 4, 2026, the Board of Directors of the consolidated company approved the issuance of 497 thousand shares of restricted stock awards for employees. The capital increase record date was March 25, 2026, and the registration of changes was completed on April 10, 2026.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 157,852	\$ 157,852	\$ 157,852
<u>May be used to offset a deficit only (2)</u>			
Issuance of ordinary shares	16,055	16,055	4,000
<u>May not be used for any purpose (3)</u>			
Employee restricted shares	<u>56,547</u>	<u>26,032</u>	<u>26,660</u>
	<u>\$ 230,454</u>	<u>\$ 199,939</u>	<u>\$ 188,512</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus only may used to offset a deficit, that capital generated from the share premium reclassified upon employee restricted shares, because as no cash flow is generated.

3) It may not be used for any purpose that capital surplus generated from employee restricted shares.

c. Retained earnings and dividend policy

The content of the earnings distribution policy in accordance with the articles of incorporation of the Company is as follows:

- 1) The Company's profit in a fiscal year shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital), setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 19-g.
- 2) The Company's dividend policy shall be determined pursuant to the factors, such as the investment environment, capital requirement, domestic and overseas competition environment, current and future business development plan, as well as shareholders' interests. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2025, which had been proposed by the Corporation's board of directors on March 4, 2026, and the appropriation of earnings for 2024, which had been approved in the shareholders' meetings on May 20, 2025, were as follows:

	For the Year Ended December 31	
	2025	2024
Legal reserve	<u>\$ 10,842</u>	<u>\$ 2,097</u>
Cash dividends	<u>\$ 97,579</u>	<u>\$ 18,876</u>
Dividends per share (NT\$)	<u>\$ 1.3689</u>	<u>\$ 0.2661</u>

The above appropriation for cash dividends will be resolved by the shareholders in their meeting to be held on May 22, 2026.

d. Other equity items

- 1) Exchange differences on the translation of the financial statements of foreign operations

	For the Three Months Ended	
	March 31	
	2026	2025
Balance on January 1	\$ 37,190	\$ 63,560
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	18,276	11,126
Income tax that may be reclassified subsequently to profit or loss	<u>(3,655)</u>	<u>(2,226)</u>
Balance on March 31	<u>\$ 51,811</u>	<u>\$ 72,460</u>

2) Unearned share-based employee compensation

The Company resolved at the shareholders' meeting to issue 1,000 thousand shares of new employee restricted stocks at no consideration on May 20, 2025. In 2026, 2025, 2024 and 2023, the board of directors had resolved to issue 497, 357, 273 and 77 thousand shares of new employee restricted stock, respectively, and cancelled 13, 2, 25 and 30 thousand shares of new employee restricted stocks on November 2025, May 2025, March 2024 and August 2024. Please refer to Note 22 for relevant information.

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ (16,824)	\$ (15,868)
Issuance of shares	(35,485)	(6,486)
Share-based payment expenses recognized	<u>3,738</u>	<u>3,168</u>
Balance on December 31	<u>\$ (48,571)</u>	<u>\$ (19,186)</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ 320,948	\$ 282,402
Share in (loss) gain for the year	(5,305)	15,084
Other comprehensive income during the year		
Exchange differences on the translation of the financial statements of foreign entities	<u>11,897</u>	<u>4,535</u>
Balance at March 31	<u>\$ 327,540</u>	<u>\$ 302,021</u>

18. REVENUE

	For the Three Months Ended March 31			
	2026	2025	2026	2025
Revenue from the sale of goods	\$ 397,612	\$ 273,960		
Revenue from the rendering of services	<u>33,995</u>	<u>7,575</u>		
	<u>\$ 431,607</u>	<u>\$ 281,535</u>		
	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
<u>Contract balances</u>				
Trade receivables (Note 7)	<u>\$ 376,284</u>	<u>\$ 384,236</u>	<u>\$ 352,138</u>	<u>\$ 241,799</u>
Contract liabilities				
Sale of goods	<u>\$ 22,753</u>	<u>\$ 6,442</u>	<u>\$ 21,978</u>	<u>\$ 5,867</u>

19. NET PROFIT (LOSS)

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Interest income		
Bank deposits	\$ 2,028	\$ 3,822
Others	<u>17</u>	<u>5</u>
	<u>\$ 2,045</u>	<u>\$ 3,827</u>

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Government grants	\$ 1,365	\$ 683
Others	<u>268</u>	<u>388</u>
	<u>\$ 1,633</u>	<u>\$ 1,071</u>

c. Other gains and (losses)

	For the Three Months Ended March 31	
	2026	2025
Net foreign exchange (loss) gains	\$ (6,731)	\$ 3,401
(Loss) gain on disposal of property, plant and equipment	(19)	191
Others	<u>(86)</u>	<u>(1,679)</u>
	<u>\$ (6,836)</u>	<u>\$ 1,913</u>

d. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on lease liabilities	\$ 647	\$ 583
Interest on bank loans	<u>1,835</u>	<u>945</u>
	<u>\$ 2,482</u>	<u>\$ 1,528</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
An analysis of depreciation by function		
Operating cost	\$ 7,779	\$ 6,932
Operating expenses	<u>9,835</u>	<u>9,664</u>
	<u>\$ 17,614</u>	<u>\$ 16,596</u>
An analysis of amortization by function		
Operating cost	\$ -	\$ -
Operating expenses	<u>8,094</u>	<u>7,614</u>
	<u>\$ 8,094</u>	<u>\$ 7,614</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Short-term benefits		
Salary	\$ 144,279	\$ 109,452
Labor and health insurance	9,186	10,265
Post-employment benefits		
Defined contribution plans	1,911	1,518
Other employee benefits	<u>3,732</u>	<u>3,362</u>
Total employee benefits expense	<u>\$ 159,108</u>	<u>\$ 124,597</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 27,623	\$ 23,418
Operating expenses	<u>131,485</u>	<u>101,179</u>
	<u>\$ 159,108</u>	<u>\$ 124,597</u>

g. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 1% of net profit before income tax, compensation of employees, and remuneration of directors as compensation distributions and no less than 50% for non-executive employees. Since there was deficit for the three months ended March 31, 2026 and 2025, the Company did not estimate compensation of employees and the remuneration of directors.

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	1%	1%
Remuneration of directors	0%	0%

Amount

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	\$ 443	\$ -
Remuneration of directors	-	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and the remuneration of directors for 2025 and 2024 had been approved by the Company's board of directors on March 4, 2026 and March 3, 2025 as illustrated below:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Compensation of employees	1%	1%
Remuneration of directors	0%	0%

Amount

	For the Year Ended December 31	
	2025	2024
Compensation of employees	\$ 1,240	\$ 266
Remuneration of directors	-	-

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the financial statements for the years ended December 31, 2025 and 2024.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

20. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense (profit) were as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	\$ 11,860	\$ 228
Deferred tax		
In respect of the current year	<u>(4,937)</u>	<u>(2,063)</u>
Income tax expense (benefit) recognized in profit	<u>\$ 6,923</u>	<u>\$ (1,835)</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
<u>Deferred tax</u>		
In respect of the current year		
Exchange differences on the translation of foreign operations	<u>\$ 3,655</u>	<u>\$ 2,226</u>

c. Income tax assessment

The income tax returns through 2023 have been assessed by the tax authorities. The companies in other jurisdictions have been examined according to their local laws.

21. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2026	2025
Basic earnings (loss) per share	<u>\$ 0.48</u>	<u>\$ (0.04)</u>
Diluted earnings (loss) per share	<u>\$ 0.48</u>	<u>\$ (0.04)</u>

The weighted average number of shares outstanding used for the earnings (loss) per share computation was as follows:

Net Profit (Loss) for the Period

	For the Three Months Ended March 31	
	2026	2025
Profit (loss) for the year attributable to owners of the Company	<u>\$ 33,992</u>	<u>\$ (3,164)</u>
Earnings (loss) used in the computation of basic and diluted earnings per share	<u>\$ 33,992</u>	<u>\$ (3,164)</u>

Ordinary Shares

	For the Three Months Ended March 31	
	2026	2025
Weighted-average number of ordinary shares used in computation of basic earnings (loss) per share	71,450	70,996
Effect of potential dilutive common stock:		
Compensation of employees	<u>22</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>71,472</u>	<u>70,996</u>

The Group may settle the compensation of employees in cash or shares; therefore, it is assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted (loss) earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted (loss) earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Restricted Stocks

On May 20, 2025, May 31, 2023 and June 22, 2022, the Company resolved at the shareholders' meeting to issue 1,000 thousand shares, 800 thousand shares and 800 thousand shares of employee restricted stocks at \$10 per share at no consideration. In 2026, August 21, 2025, March 3 2025, 2024 and 2023, the board of directors had resolved to issue 497 thousand shares, 193 thousand shares, 164 thousand shares, 273 thousand shares and 77 thousand shares of employee restricted stocks. The grant date and the issuance date were March 25, 2026, August 22, 2025, March 25, 2025, March 7, 2024, August 11, 2023 and June 1, 2023. The fair value of the employee restricted stocks at grant date is \$71.4 per share, \$75.4 per share, \$40.3 per share, \$40.45 per share, \$53.5 per share and \$52.5 per share, respectively.

On 2025, the board of directors had resolved to cancelled 15 thousand shares of new employee restricted stocks with the low which did not meet the vested conditions.

Employee restricted stocks that have been granted but have not yet met the vesting conditions are as follows:

- a. Employees may not sell, pledge, transfer, give as a gift, create a guarantee or otherwise dispose of the new employee restricted stocks until they have met the vesting conditions after being granted the new stocks.
- b. Except for the restrictions in the preceding paragraph, before the vesting conditions are fulfilled, any other shareholder rights including but not limited to the entitlement to any distribution regarding dividends, bonuses and capital reserve, and the subscription right of the new shares issued for any capital increase, are the same as those of holders of ordinary shares of the Company.
- c. The shares should be held in a stock trustee designated by the Company. The restricted stocks should be held in a trust after being issued and non-refundable before eligible for the vesting conditions.

- d. During the vesting period, if the company carry out a capital reduction, RSAs will be cancelled proportionally. If the capital reduction is done by cash return, the returned cash should be kept under trustee designated by the Company, and be paid to the employees when vesting condition is fulfilled; if the employee does not meet the vesting condition, all shares the employees subscribed shall be bought back by the Company based on the original subscription price and canceled accordingly.
- e. Attendance, proposals, speeches, voting rights and other matters related to shareholders' rights and interests at shareholders' meetings are entrusted to trust custodians.

Participant shall become vested in the new employee restricted stocks at certain percentage, only if Participant achieves the specific performance-based goal specified by the Company and remains continuously employed by the Company from the grant date through applicable vesting schedule presented as follows.

- 1) Participants who have served the Company or an entity controlled or affiliated by the Company for less than 10 years are described as follows while re-calculation for those who have previously resigned or on furlough:
 - a) One-year anniversary of the grant, grantees are eligible for 60% of the vested shares with annual KPI between 90 and 100. Grantees are eligible for 48% of the vested shares with annual KPI between 80 and 89. Grantees are eligible for 36% of the vested shares with annual KPI between 60 and 79. Grantees are eligible for 0% of the vested shares with annual KPI between 0 and 59.
 - b) Over one year less than three year since the date of grant, grantees are eligible for 20% of the vested shares with annual KPI between 90 and 100. Grantees are eligible for 16% of the vested shares with annual KPI between 80 and 89. Grantees are eligible for 12% of the vested shares with annual KPI between 60 and 79. Grantees are eligible for 0% of the vested shares with annual KPI between 0 and 59.
- 2) Participants who have served the Company or an entity controlled or affiliated by the Company over 10 years are described as follows while re-calculation for those who have previously resigned or on furlough:

One-year anniversary of the grant, grantees are eligible for 100% of the vested shares with annual KPI between 90 and 100. Grantees are eligible for 80% of the vested shares with annual KPI between 80 and 89. Grantees are eligible for 60% of the vested shares with annual KPI between 60 and 79. Grantees are eligible for 0% of the vested shares with annual KPI between 0 and 59.

The new shares issued with restricted employee rights, the relevant information were as follows:

	Unit: In Thousands Per Stock	
	For the Three Months Ended	
	March 31	
	2026	2025
Balance on January 1	999	657
Issuance of the current year	<u>497</u>	<u>164</u>
Balance on March 31	<u><u>1,496</u></u>	<u><u>821</u></u>

Employee compensation cost recognized for the three months ended March 31, 2026 and 2025 were \$3,738 thousand and \$3,168 thousand.

23. CASH FLOW INFORMATION

a. Non-cash transactions

For the three months ended March 31, 2026 and 2025, the Group acquired property, plant and equipment with a fair value of \$4,520 thousand and \$10,704 thousand, respectively, and paid \$4,662 thousand and \$11,140 thousand in cash, respectively. Other payables for facility decreased by \$142 thousand and decreased by \$436 thousand, respectively.

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2026

	Balance as of January 1, 2026	Cash Flows	New Leases	Non-cash Changes Effects of Foreign Currency Exchange Differences	Balance as of March 31, 2026
Short-term borrowings	\$ 47,559	\$ 163,988	\$ -	\$ (1,584)	\$ 209,963
Lease liabilities	63,270	(6,461)	-	623	57,432
Long term borrowing	\$ 162,536	\$ (1,216)	\$ -	\$ -	\$ 161,320

For the three months ended March 31, 2025

	Balance as of January 1, 2025	Cash Flows	New Leases	Non-cash Changes Effects of Foreign Currency Exchange Differences	Balance as of March 31, 2025
Short-term borrowings	\$ -	\$ 28,705	\$ -	\$ -	\$ 28,705
Lease liabilities	59,699	(6,284)	-	714	54,129
Long term borrowing	\$ 173,340	\$ (3,999)	\$ -	\$ -	\$ 169,341

24. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's key management reviews the Group's capital structure on a quarterly basis, which includes consideration of the costs and risks of various operations. Based on the recommendations of the key management, the Group finances its working capital by borrowing from banks and raising additional capital in cash.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Group believes the carrying amount of the Group's financial instruments not measured at fair value are close to the fair value.

b. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,556,381	\$ 1,458,234	\$ 1,213,431
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	847,250	717,971	612,392

Note 1: The balances included financial assets at amortized cost, which comprise cash, notes receivables, trade receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities at amortized cost, which comprise trade payables, dividends payable, part of other payables (excluding salary and bonus), short-term borrowings, current portion of long-term borrowings and long-term borrowings.

c. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity and debt investments, trade receivables, other receivables, trade payables, other payables, borrowings and lease liabilities. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group is a multinational operation, so it is subject to foreign currency risks arising from a variety of different currencies. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 30.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit (loss) associated with the functional currency strengthened by 1% against the relevant currency. For a 1% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit (loss) and the balances below would be negative.

	U.S. Dollar	
	For the Three Months Ended	
	March 31	
	2026	2025
Pre-tax (loss) profit	<u>\$ 3,673</u>	<u>\$ 5,011</u>

The result was mainly attributable to the exposure on the foreign currency bank deposits, outstanding other receivables and payables that were not hedged at the end of the period.

b) Interest rate risk

The Group's exposure to fair value interest rate risk is on the Group's borrowings at fixed interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to cash flow interest rate at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Financial value interest rate risk			
Financial assets	\$ 98,897	\$ 96,228	\$ -
Financial liabilities	57,432	63,270	54,129
Cash flows interest rate risk			
Financial assets	988,320	820,114	769,033
Financial liabilities	371,283	210,095	198,046

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax loss for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$386 thousand and \$357 thousand, respectively, which was mainly a result of variable-interest-rate bank deposits and other financial assets.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable-interest-rate bank deposits.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

It is the Group's policy that transactions only be dealt with creditworthy counterparties. Credit information of transaction parties are gathered by independent rating agencies by conducting credit search and analysis. Credits are then given to parties, according to its nature of transaction, financial status and conditions of collateral, with terms to be renewed after careful reexamination to ensure credit risk of counterparties are within scope of the Group. The clients of the Group are widely spread and the Group analyzes its numerous clients' financial status continuously.

The Group's concentration of credit risk was related to the five largest customers within the Group. As of March 31, 2026, December 31, 2025 and March 31, 2025, the percentage of total trade receivables from the top five customers was 51%, 51% and 48%.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest rate risk table of non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

March 31, 2026

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 685,612	\$ -	\$ -
Lease liabilities	28,876	26,395	9,028
Floating interest rate	<u>10,593</u>	<u>40,856</u>	<u>147,851</u>
	<u>\$ 725,081</u>	<u>\$ 67,251</u>	<u>\$ 156,879</u>

December 31, 2025

	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 507,574	\$ -	\$ -
Lease liabilities	27,916	32,711	9,792
Floating interest rate	<u>58,177</u>	<u>40,957</u>	<u>149,505</u>
	<u>\$ 593,667</u>	<u>\$ 73,668</u>	<u>\$ 159,297</u>

March 31, 2025

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 413,737	\$ -	\$ -
Lease liabilities	25,147	31,906	-
Floating interest rate	<u>39,847</u>	<u>41,221</u>	<u>156,612</u>
	<u>\$ 478,731</u>	<u>\$ 73,127</u>	<u>\$ 156,612</u>

b) Financing facilities

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank overdraft facilities, reviewed annually and payable on demand			
Amount used	\$ 251,963	\$ 70,878	\$ 73,705
Amount unused	<u>42,965</u>	<u>210,000</u>	<u>210,000</u>
	<u>\$ 294,928</u>	<u>\$ 280,878</u>	<u>\$ 283,705</u>
Secured bank overdraft facilities			
Amount used	\$ 155,000	\$ 155,000	\$ 155,000
Amount unused	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 155,000</u>	<u>\$ 155,000</u>	<u>\$ 155,000</u>

26. TRANSACTIONS WITH RELATED PARTIES

As of March 31, 2026, December 31, 2025 and March 31, 2025, which held 52.26%, 52.26% and 52.39%, respectively. The Company's parent and ultimate controlling party is Ericson Capital Co., Ltd.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

Remuneration of Key Management Personnel

Related Party Categories	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 11,318	\$ 8,952
Post-employment benefits	<u>278</u>	<u>278</u>
	<u>\$ 11,596</u>	<u>\$ 9,230</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	\$ 225,756	\$ 225,756	\$ 225,756
Buildings	<u>29,755</u>	<u>29,914</u>	<u>30,390</u>
	<u>\$ 255,511</u>	<u>\$ 255,670</u>	<u>\$ 256,146</u>

28. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

The Group has a product sales agreement with a major customer, which stipulates the Group should pay rebates to the customer based on the total amount of sales at the rate stipulated in the agreement.

29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD:

To diversify operational risks, strengthen supply chain resilience, and integrate research, development, production, and manufacturing resources in Mainland China, the Board of Directors of the consolidated company, on April 10, 2026, approved the establishment of Trantest Intelligence Co., Limited and Trantest Intelligence (Jiangmen) Ltd. with investment amounts of US\$10,000 thousand and RMB30,000 thousand, respectively.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(In Thousands of Foreign Currency and New Taiwan Dollars)

March 31, 2026

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 27,253	31.995 (USD:NTD)	\$ 871,960
<u>Financial liabilities</u>			
Monetary items			
USD	15,773	31.995 (USD:NTD)	504,650

December 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 29,243	31.43 (USD:NTD)	\$ 919,120
<u>Financial liabilities</u>			
Monetary items			
USD	12,037	31.43 (USD:NTD)	378,337

March 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 20,938	33.205 (USD:NTD)	\$ 695,242
<u>Financial liabilities</u>			
Monetary items			
USD	5,846	33.205 (USD:NTD)	194,125

For the three months ended March 31, 2025, realized and unrealized net foreign exchange gains were \$(6,731) thousand and \$3,401 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions of the entities in the Company.

31. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
 - 1) Financing provided to others: None
 - 2) Endorsements/guarantees provided: Table 1
 - 3) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
 - 4) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 2
 - 5) Intercompany relationships and significant intercompany transactions: Table 3
- b. Information on investees: Table 4
- c. Information on investments in mainland China
 - 1) The name of the mainland investee company, main business items, paid-in capital, investment methods, capital remittances and exits, shareholding ratio, investment gains and losses, investment book amount at the end of the period, repatriated investment gains and losses, and investment limits in mainland China: Table 5.
 - 2) The following significant transactions, prices, payment terms, and unrealized gains and losses occurred directly or indirectly with the investee company in mainland China via the third region: Table 6.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

32. SEGMENTS INFORMATION

For the purpose of resources allocation and performance assessment, the Group's chief operating decision maker reviews operating results and financial information on a product-by-product basis with a focus on the operating results of each product. As the products share similar economic characteristics, and sell the same types of products in a uniform management approach, the Group's products are aggregated into a single reportable segment. The Group's chief operating decision maker reviews segment information measured on the same basis as the consolidated financial statements. Information about reportable segment sales and profit or loss is referenced from the consolidated statements of comprehensive income for the three months ended March 31, 2026 and 2025 and information on assets is referenced from the consolidated balance sheets as of March 31, 2026, December 31, 2025 and March 31, 2025.

Information about major customers:

Single customer contributing 10% or more to the Group's revenue is as follows:

Customer Name	For the Three Months Ended March 31			
	2026		2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Customer 1	<u>\$ 60,144</u>	14	<u>\$ 66,116</u>	23
Customer 2	<u>\$ -</u>	(Note)	<u>\$ 32,344</u>	11
Customer 3	<u>\$ 72,557</u>	17	<u>\$ 30,146</u>	11

Note: The amount of revenue did not reach 10% of the Group's total revenue.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)**

No.	Endorsement/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Aethertek Technology Co., Ltd.	Trantest Enterprise Limited	Subsidiary	\$ 289,670	\$ 223,965	\$ 223,965	\$ -	\$ -	15%	\$ 579,340	Y	N	N	
		Trantest Enterprise (India) Private Limited	Subsidiary	289,670	95,985	95,985	45,927	-	7%	579,340	Y	N	N	
		Trantest Enterprise (Vietnam) Company Ltd.	Subsidiary	289,670	31,995	31,995	-	-	2%	579,340	Y	N	N	
		Topone Automatic Co., Ltd.	Subsidiary	289,670	60,000	60,000	25,000	-	4%	579,340	Y	N	N	

Note 1: The Company's maximum total endorsement amount is 40% of the net equity in the financial statements. The Company's maximum endorsement amount for each endorsed entity is 20% of the net equity in latest financial statements of the Company or the net value of the endorsee company, whichever is lower.

Note 2: The maximum and outstanding endorsement/guarantee amount were approved by the board of directors.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

MARCH 31, 2026

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Aethertek Technology Co., Ltd.	Trantest Precision (China) Ltd.	Subsidiary	\$ 170,712	0.81	\$ -	-	\$ 149,276	\$ -
	Trantest Enterprise (India) Private Limited	Subsidiary	208,888	0.51	-	-	-	-

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Number (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	1	Service income	\$ 19,819	Its trading price depends on its function within the Group	5
		Trantest Enterprise Ltd.	1	Trade receivables	33,201	Its trading price depends on its function within the Group	1
		Trantest Precision (China) Ltd.	2	Trade receivables	170,712	Its trading price depends on its function within the Group	6
		Trantest Precision (China) Ltd.	2	Technical service revenue	56,472	Its trading price depends on its function within the Group	13
		Trantest Precision (China) Ltd.	2	Labor service revenue	9,731	Its trading price depends on its function within the Group	2
		Trantest Enterprise (India) Private Limited	4	Trade receivables	208,888	Its trading price depends on its function within the Group	7
		Trantest Enterprise (India) Private Limited	4	Sales	51,541	Its trading price depends on its function within the Group	12
1	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.	1	Purchases	46,666	Its trading price depends on its function within the Group	11
		Trantest Precision (China) Ltd.	1	Trade payables	47,204	Its trading price depends on its function within the Group	2

Note 1: Intercompany relationships and significant intercompany transactions information are represented within the number column as follows:

- a. Number 0 represents the parent company.
- b. Number 1 represents subsidiaries.

Note 2: The flow of transactions between the counterparties of the transactions are represented as follows:

- a. "1" represents transactions from parent company to subsidiary.
- b. "2" represents transactions from subsidiary to parent company.
- c. "3" represents transactions between subsidiaries.

Note 3: The amounts of asset accounts and liability accounts are calculated as a percentage of the consolidated total assets. The amounts of income accounts are calculated as a percentage of the consolidated total sales.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(In Thousands of New Taiwan Dollars and U.S. Dollars/In Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income of the Investee	Share of Profit	Note
				March 31, 2026	December 31, 2025	Stocks (Thousands)	%	Carrying Amount			
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Hong Kong	Sales of precision testing equipment	\$ 561,393 (US\$ 20,000)	\$ 561,393 (US\$ 20,000)	20,000	100	\$ 756,699	\$ (6,570)	\$ (20,413)	-
	Trantest Enterprise (India) Private Limited	India	Sales of precision testing equipment	9,280 (INR 23,760)	9,280 (INR 23,760)	2,376	99	(2,913)	(5,571)	(5,516)	-
Trantest Enterprise., Ltd.	Topone Automatic Co., Ltd.	Taiwan	Manufacture of precision testing equipment	35,000	35,000	3,500	100	(8,696)	(3,468)	(3,468)	-
	Trantest Enterprise (Vietnam) Company Limited	Vietnam	Sales of precision testing equipment	9,735 (US\$ 300)	9,735 (US\$ 300)	7,020,000	100	6,825	23	23	-

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, U.S. Dollars and RMB)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outflow	Inflow						
Trantest Precision (China) Ltd.	Manufacture and sales of precision testing equipment.	\$ 238,747 (RMB 55,000)	b	\$ 228,419 (US\$ 8,025)	\$ -	\$ -	\$ 228,419 (US\$ 8,025)	\$ 15,355	51	\$ (7,831) (Note 2, b, 3))	\$ 389,609	\$ -

Name	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
Aethertek Technology Co., Ltd.	\$289,108 (US\$9,944)	\$289,551 (US\$9,960)	\$1,065,535

Note 1: Methods of investment have following type:

- a. Direct investment in mainland China.
- b. Indirect investment through a company registered in a third region.
- c. Others.

Note 2: The amount recognized in investment income in the current year:

- a. Should be indicated if currently under preparation and not generating investment income.
- b. The basis of recognition of investment profit (loss) should be indicated and is classified as follows:
 - 1) Amounts was recognized based on the financial statements reviewed by international audit firms with business relationship with audit firms in the ROC.
 - 2) Amount was recognized based on the parent company's reviewed financial statements.
 - 3) Others.

Note 3: The relevant figures in this table should be presented in New Taiwan dollars.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)**

Purchase and Sale Company	Investee Company	Transaction Type	Purchase/Sale		Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
			Amount	%	Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.	Purchases	\$ 46,666	13	30 days after sales for parts	Its trading price depends on its function within the Group	\$ 47,204	13	\$ 23,342	
Aethertek Technology Co., Ltd.	Trantest Precision (China) Ltd.	Purchases	258	-	"	"	1,874	1	60,209	
Topone Automatic Co., Ltd.	Trantest Precision (China) Ltd.	Purchases	1,396	-	"	"	1,980	1	(700)	